

United States Senate

WASHINGTON, DC 20510

December 1, 2010

The Honorable Daniel K. Inouye, Chairman
The Honorable Thad Cochran, Vice Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

The Honorable Dianne Feinstein, Chairman
The Honorable Lamar Alexander, Ranking Member
Subcommittee on Interior, Environment, and Related Agencies
United States Senate
Washington, D.C. 20510

Dear Chairman Inouye, Vice Chairman Cochran, Chairman Feinstein, and Ranking Member Alexander:

We write to respectfully request that you include a provision to ensure that our nation's counties continue to receive their share of receipts from geothermal energy development on public lands in any Fiscal Year 2011 continuing resolution or omnibus legislation that is considered by the Senate. Ensuring that our counties receive their share of geothermal royalties will go a long way toward helping many communities that have been struggling during these difficult times.

As you may be aware, the Fiscal Year 2010 Department of the Interior, Environment, and Related Agencies Appropriations Act (Public Law 111-88) changed the distribution of receipts for geothermal development on federal land and eliminated the counties' share of the revenues. Prior to this change in law, eligible counties had used their 25-percent share of geothermal development revenues for the provision of vital services on federally managed lands such as public safety and emergency services, as well as road maintenance. The elimination of the counties' share of geothermal revenues placed heavy burdens on these mainly rural counties. And without a substantial tax base and large areas of federally owned lands, this impacted their ability to provide basic public services.

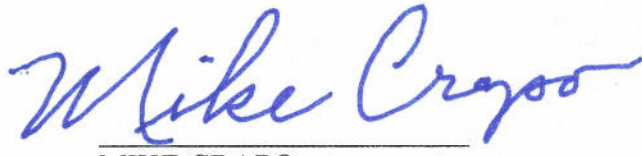
To address this, we worked to ensure that the counties' share would be restored retroactively thereby ensuring the continuation of this important revenue source. The Supplemental Appropriations Act of 2010 (Public Law 111-212) contained a provision to restore the counties' share of geothermal revenues. Unfortunately, the Office of Management and Budget (OMB) has interpreted law in Fiscal Year 2011 in a way that runs counter to the intent of Congress which included counties in the revenue distribution. According to the OMB, since the current Fiscal Year 2011 Continuing Resolution (Public Law 111-242) references the Fiscal Year 2010 Department of the Interior, Environment, and Related Agencies Appropriations Act – and not the Supplemental Appropriations Act of 2010 which contained the fix for counties – counties are no longer eligible for their revenue share.

Resolution of this issue will require a change in law, and we respectfully urge that you include language to direct the OMB to restore the counties' share of geothermal revenues in any Fiscal Year 2011 continuing resolution or omnibus legislation.

Sincerely,



JOHN ENSIGN
United States Senator



MIKE CRAPO
United States Senator